FY 1992 Information Technology Spending

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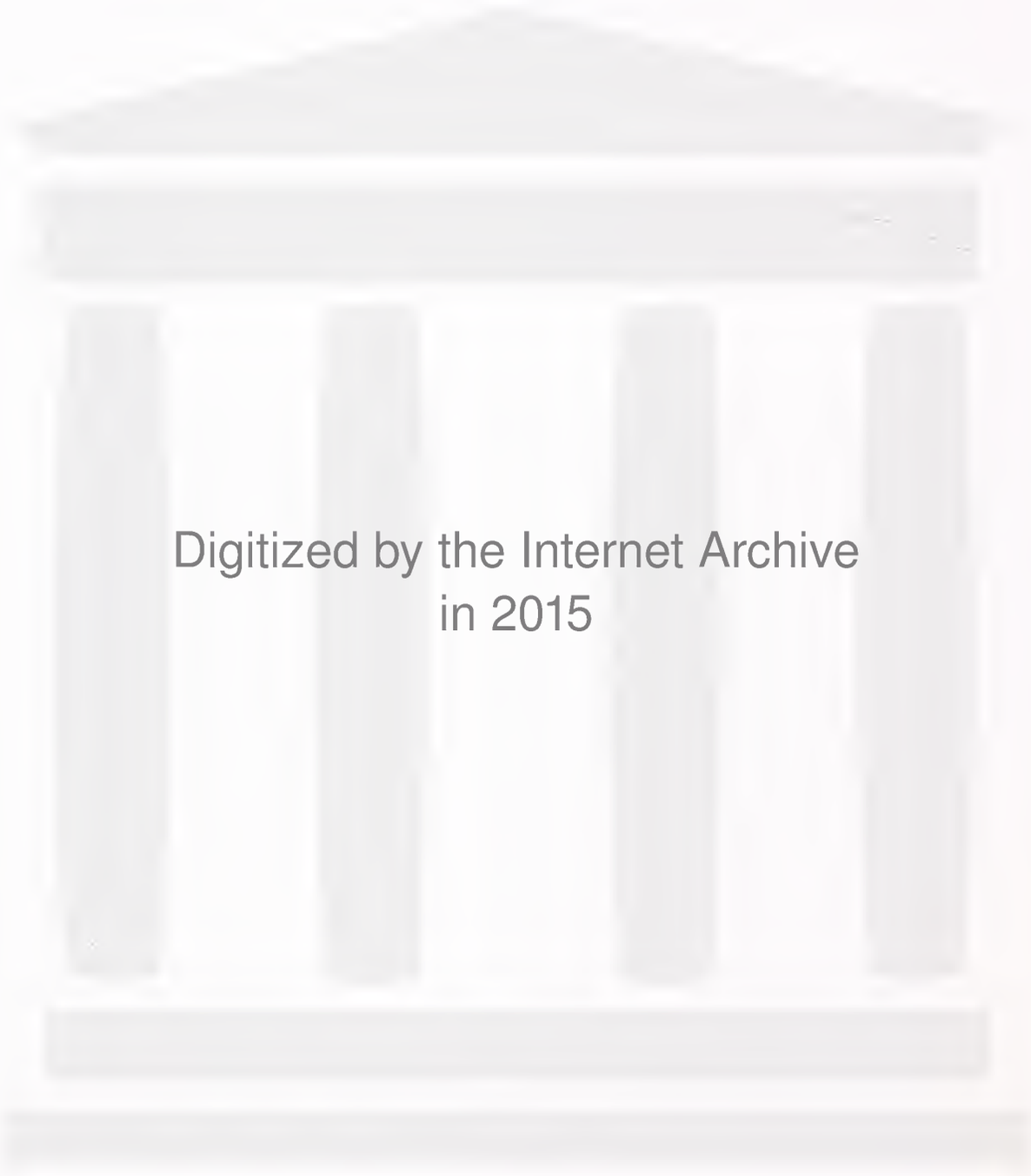

Overview

- Market Introduction
- Systems Integration
- Computer Equipment
- Software
- Communications and Network Services
- Conclusions

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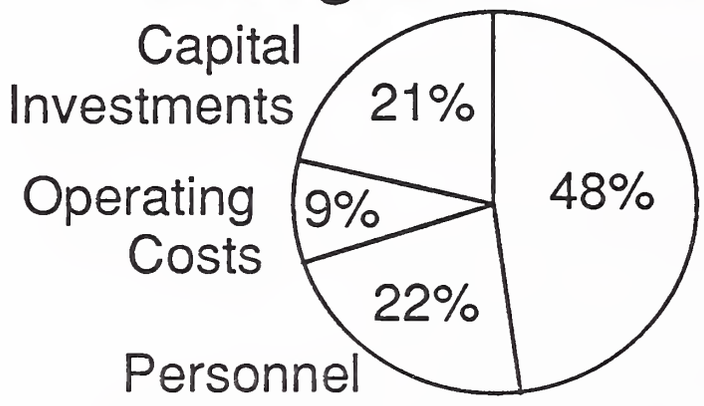
Information Technology Budget FY 1992



Obligations - $24.6 billion
Contracts - $17.8 billion (71%)

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FY 1992 Budget Factors

- A-11 decline by $1 billion
- 1992 budget anomaly
- Capital investment jump
- Personnel spending impact
- Increased leasing

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Analyzing the 43A

- A valid starting point
- Lack of agency plans
- Continuing budget volatility
- A need to keep checking
- Wish list approach

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Analyzing the 43A

- Built-in cut factor
- Other criteria
  - Economic
  - Political
  - Geopolitical
- Next election

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Analyzing the 43A

- Global effects
  - CIM, CALS
  - NASA, Space Station
  - Technology support

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Analyzing the 43A

- Domino effects
  - Cuts, policies, regulations
  - Legal, administrative
  - Return of the grand design

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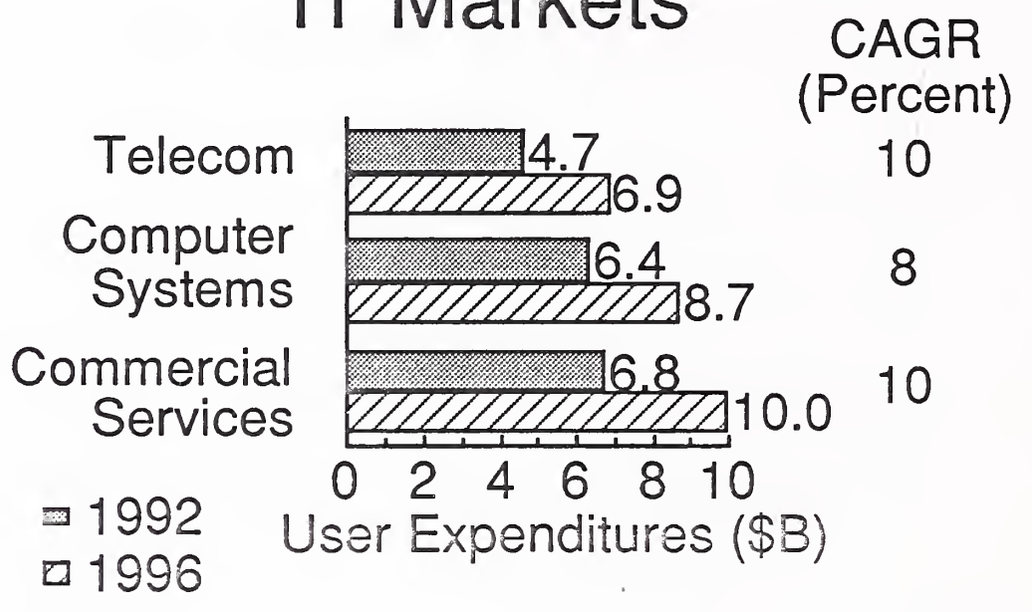
IT Markets



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Information Technology Market Factors

- Zero-sum budget
- Defense budget
- Regulation changes
- Standards implications

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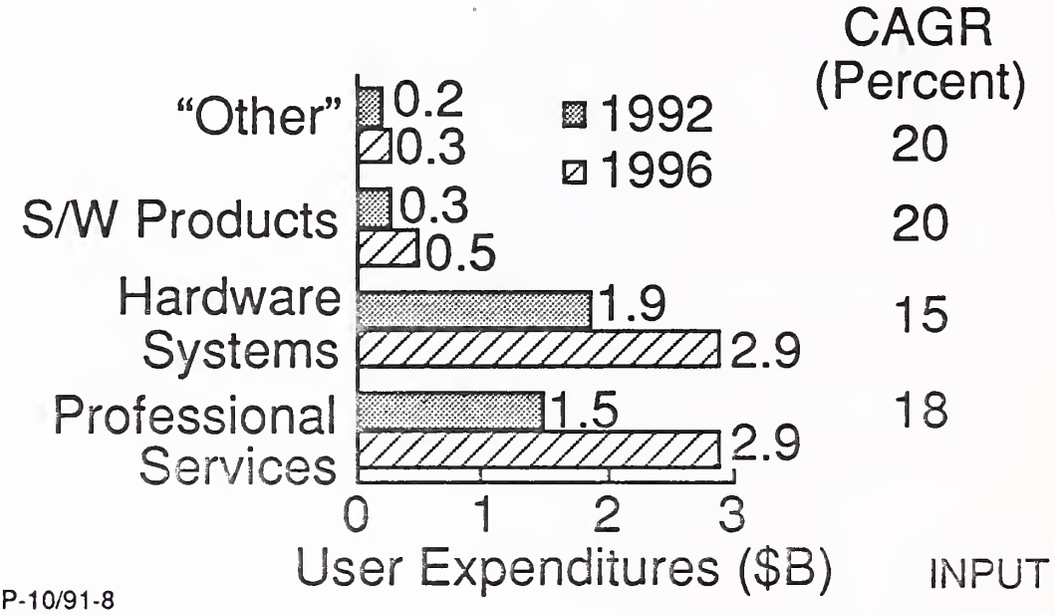
Systems Integration Market



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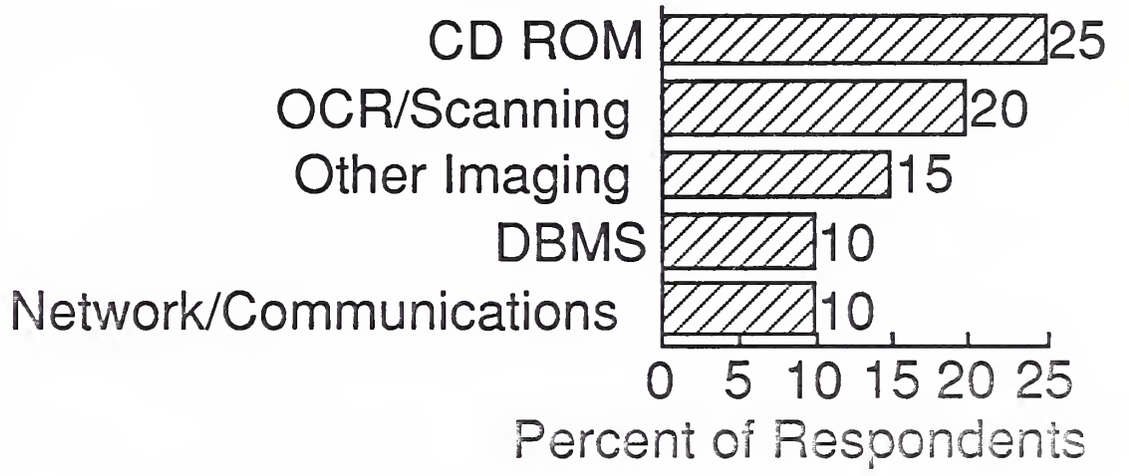
New Technologies Required



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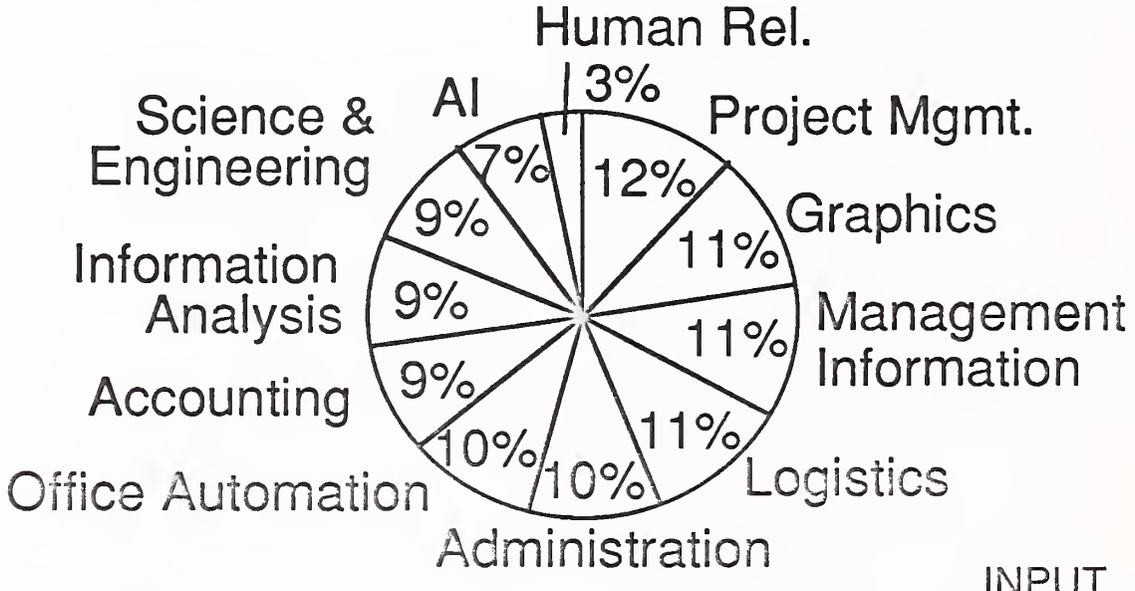
SI Applications



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Critical Success Factors

- Risk containment and skillful management
- Vendor reputation
- Comprehension of procurement rules
- Technical ability
- Teaming partnerships
- Need to focus efforts

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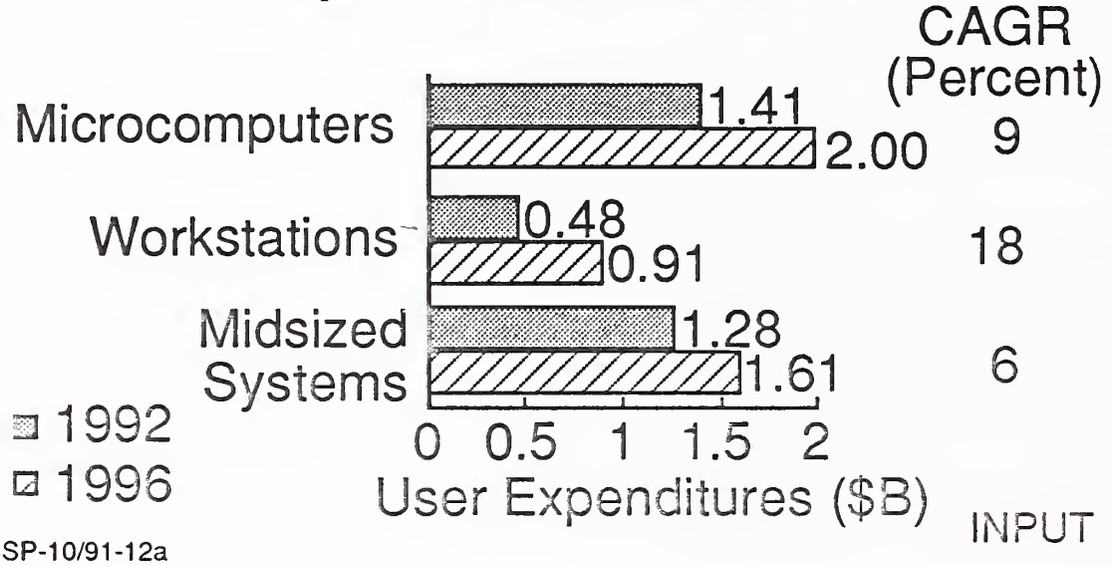
Equipment Components Market



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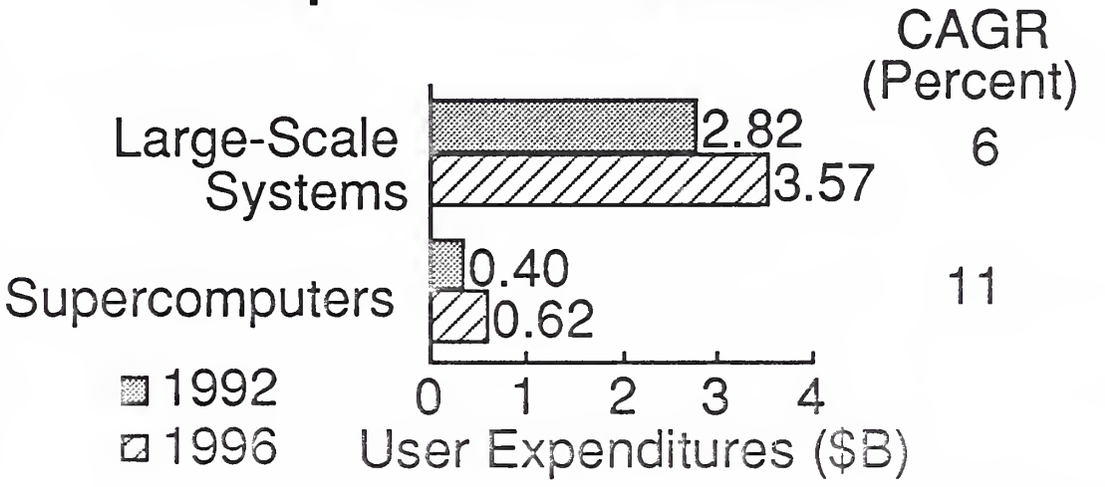
Equipment Components Market



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Computer Equipment Selection Criteria

Criteria	Importance
Equipment Performance	4.6
Equipment Reliability	4.5
Software Features	4.1
Vendor's Support Reputation	3.8
Ease of Implementation	3.8

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Notes

Applications by Equipment Size

Application Type	Percent of Respondents				
	Micro	WS	Mid	MF	Super
Information Analysis	71	50	56	81	17
Human Resources	74	31	46	75	0
Electronic Mail	75	61	69	56	17
Electronic Publishing	89	67	33	46	0

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Applications by Equipment Size

Application Type	Percent of Respondents				
	Micro	WS	Mid	MF	Super
Logistics and Distribution	74	40	39	93	0
Scientific/Engineering	77	86	75	83	80
Communications	61	65	73	93	50
Word Processing	92	72	38	38	17

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Applications by Equipment Size

Application Type	Percent of Respondents				
	Micro	WS	Mid	MF	Super
Administrative	74	35	67	80	0
Finance/Accounting	71	33	64	85	0
Project Management	87	53	40	40	0

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Acquisition Methods

Acquisition Method	Percent of Agencies				
	Micro	WS	Mid	MF	Super
Requirements Contract	48	42	29	25	14
GSA Schedule	89	75	39	19	0
RFP	40	58	67	94	75
Excess Equipment	16	16	11	13	0

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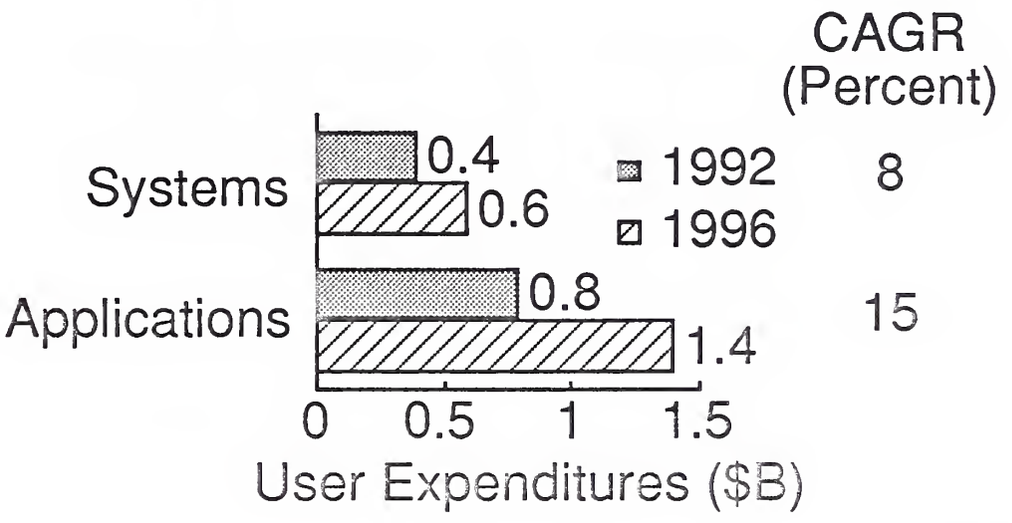
Software Products Market



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Agency Operating System Usage

Operating System	Percent of Resp. Planning to Use	Percent of Applications
UNIX Types	77.3	53.2
MS/DOS	77.3	30.1
MVS	50.0	39.3
OS/2	31.8	23.3
Other	18.0	13.3

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Software Products Usage

Product	Increase (%)	Applic. Examples
SQL-based Products	95	Data base interface Applic. conversion Program mgmt.
4th & 5th GLs	90	Ad hoc reporting Data base applic. Development

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Software Products Usage

Product	Increase (%)	Applic. Examples
CASE Tools	86	Optimize syst. design Space management Software development
UNIX Products	64	File server SW logistics Administrative DBMS Distributed comms.

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Software Products Usage

Product	Increase (%)	Applic. Examples
AI/Expert Systems	60	User problem solving - Error recovery - Scientific application - Public information
Ada Compilers	29	Software development logistics

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Software for Workstations

Product Type	Rank	Percent Identifying
Word Processing	1	79
Data Base Mgmt.	1	79
Spreadsheet	2	47
Graphics	3	32
Communications	4	26

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Applications Software Criteria

Criterion	Average Rating*
Ease of Use	4.0
Performance	3.8
Ease of Implementation	3.7
Software Features	3.7

* 1 = Not important; 5 = Very important

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Applications Software Criteria

Criterion	Average Rating*
Documentation	3.6
Application Knowledge/ Technical Expertise	3.5
Support Reputation	3.4

* 1 = Not important; 5 = Very important

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Applications Software Criteria

Criterion	Average Rating*
OSI Compliant	3.3
Training	3.3
Product Price	3.1
Federal Experience	2.0

* 1 = Not important; 5 = Very important

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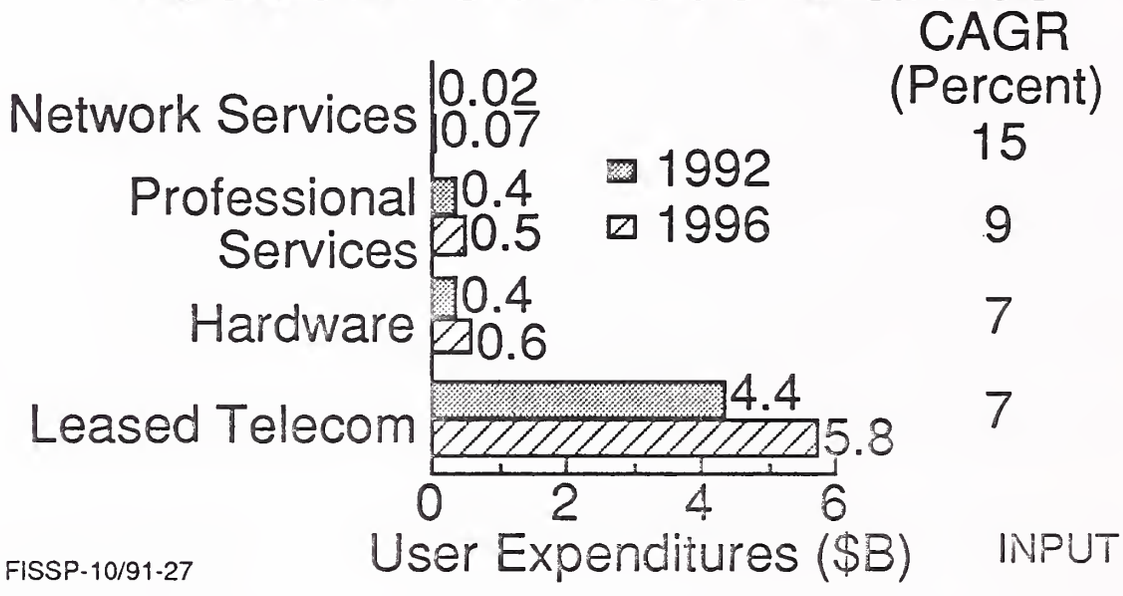
Communications and Network Services Market



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Federal Telecommunications Spending Directions

Product	Percent of Respondents		
	Increase	Decrease	Same
Voice	42	42	17
Leased Circuits	73	18	9
VANs	80	0	20

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Federal Telecommunications Spending Directions

Product	Percent of Respondents		
	Increase	Decrease	Same
Hardware	78	0	22
Software	78	11	11

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Preferred Method for Acquiring New or Improved Telecommunications

Method	Preference Ranking	
	1990	1988
Buy Integrated Systems	1	2
Buy Common Carrier Services	2	1
Use GSA or DCA Svcs.	3	5

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Preferred Method for Acquiring New or Improved Telecommunications

Method	Preference Ranking	
	1990	1988
Buy VAN Services	4	4
Hire Contractor to Integrate Components	5	3
Buy Components and Integrate In-House	6	6

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Vendor Weaknesses

Weaknesses	Percent of Respondents
Lack of Knowledgeable Personnel	30
Low Support/ Service Levels	30
Proprietary Systems	10

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Vendor Weaknesses

Weaknesses	Percent of Respondents
Volume-Sensitive Pricing	10
Inadequate Technology	10
Business Attitude	10

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Conclusions

- A complex, messy, inexact process
- Multilevel volatility
- Constant vigilance required
- Yes, it's worth it

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About INPUT

INPUT provides planning information, analysis, and recommendations for the information technology industries. Through market research, technology forecasting, and competitive analysis, INPUT supports client management in making informed decisions.

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